



May 15, 2009

Mediceo Paltac Holdings Co., Ltd.

Representative: Sadatake Kumakura, Representative Director, President and CEO
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**Notice of Shift to a Pure Holding Company System
through Demerger and Corporate Name Changes**

As announced on January 30, 2009, Mediceo Paltac Holdings Co., Ltd. (“Mediceo Paltac”) has resolved to shift to a pure holding company system in order to clearly divide its functions as Group headquarters and as an operating company.

At a meeting held on May 15, 2009, Mediceo Paltac’s Board of Directors resolved to separate its prescription pharmaceutical wholesale business and transfer it to wholly owned consolidated subsidiary KURAYA SANSEIDO Inc. (“Kuraya Sanseido”). The proposal, which is outlined below, will be placed on the agenda of the Ordinary General Meeting of Shareholders scheduled to be held on June 24, 2009.

In addition, the Board of Directors today approved a resolution on the planned October 1, 2009 merger of six prescription pharmaceutical wholesale companies, including Kuraya Sanseido, that are wholly owned consolidated subsidiaries of Mediceo Paltac, as disclosed in the “Notice of Merger of Wholly Owned Consolidated Subsidiaries and Change of Corporate Name.”

Accordingly, Mediceo Paltac and Kuraya Sanseido will change their names to MEDIPAL HOLDINGS CORPORATION and MEDICEO CORPORATION, respectively, on October 1, 2009.

After the demerger discussed above, Mediceo Paltac will become a pure holding company that owns the shares of each group company, and plans to remain a listed company.

Signing of the demerger agreement and partial amendment of the Articles of Incorporation are subject to approval by the Ordinary General Meeting of Shareholders scheduled to be held on June 24, 2009.

1. Purpose of the Demerger

Recognizing an urgent need for business restructuring to rapidly strengthen functions and reduce costs in response to changes in the Mediceo Paltac Group’s operating environment, Mediceo Paltac has decided to clearly divide Group headquarters functions and operating company functions (including the prescription pharmaceutical wholesale business and the cosmetics, daily necessities, and OTC pharmaceutical wholesale business) in structuring a system to let each business focus on its operations.

Going forward, Mediceo Paltac will shift to a structure that specializes in planning for overall Group

strategy as a pure holding company. The functions of Group headquarters will be 1) strengthening Group strategy functions and corporate governance; 2) enhancing and accelerating decision-making functions to help strengthen business growth and competitiveness; and 3) promoting the efficiency of management resources and business restructuring to further emphasize “the maximization of customer satisfaction and minimization of distribution costs,” with the aim of being a company that customers trust.

As for its operating company functions, Mediceo Paltac aims to structure a framework for rapid response to customer needs by transferring functions that Mediceo Paltac handles including purchasing of prescription pharmaceuticals and other products, distribution, systems, and customer support to Kuraya Sanseido, which handles transactions directly with customers.

2. Overview of Demerger

(1) Schedule of Demerger

May 15, 2009:	Approval of the demerger agreement by the Board of Directors
May 15, 2009:	Signing of the demerger agreement by the Board of Directors
June 24, 2009 (Planned):	Approval of the demerger agreement by the Ordinary General Meeting of Shareholders
October 1, 2009 (Planned):	Execution date

(2) Method of Demerger

Mediceo Paltac will conduct an absorption demerger with Kuraya Sanseido as its successor company.

(3) Allocations Related to the Demerger

There will be no stock or other monetary allocations upon this merger, as the successor company is a wholly owned subsidiary of Mediceo Paltac.

(4) Decrease in Capital, etc., due to the Demerger

There will be no decrease in Mediceo Paltac’s capital and reserves in connection with this demerger.

(5) Handling of Stock Options and Warrant Bonds of Demerging Company

Mediceo Paltac has not issued any stock options or warrant bonds.

(6) Rights and Obligations to be Assumed by the Successor Company

As set forth in the demerger agreement signed on May 15, 2009, the successor company will take over the assets, liabilities and other rights and obligations related to Mediceo Paltac’s business operations involved in the demerger.

Assumption of the obligations from Mediceo Paltac will be done by concomitant assumption of debt.

(7) Prospects for Fulfillment of Obligations

Mediceo Paltac and its successor company in this demerger have determined that there are no issues with regard to the certainty of fulfillment of their obligations on or after the demerger execution date.

3. Overview of Companies Involved in Demerger

(As of March 31, 2009)

(1) Corporate name	Mediceo Paltac Holdings Co., Ltd. (Consolidated) [Separating Company]	KURAYA SANSEIDO Inc. (Nonconsolidated) [Successor company]
(2) Principal business	Wholesale of pharmaceuticals, cosmetics and daily necessities	Wholesale of prescription pharmaceuticals
(3) Date established	May 6, 1923	April 1, 2004
(4) Head office	7-15, Yaesu 2-chome, Chuo-ku, Tokyo	7-15, Yaesu 2-chome, Chuo-ku, Tokyo
(5) Representative	Sadatake Kumakura, President and CEO	Shuichi Watanabe, President and CEO
(6) Paid-in capital	¥22,398 million	¥100 million
(7) Number of outstanding shares	244,524,496 shares	1 share
(8) Total net assets	¥272,146 million	¥28,086 million
(9) Total assets	¥921,754 million	¥374,873 million
(10) Fiscal year end	March 31	March 31
(11) Employees	675	3,820
(12) Major shareholders and percentage of total shares held	1. Takeda Pharmaceutical Company Limited. 9.26% 2. State Street Bank and Trust Company 6.55% 3. Japan Trustee Services Bank, Ltd. (Trust account 4G) 4.77% 4. Employees Shareholders' Association 3.08% 5. Astellas Pharma Inc. 3.03%	1. Mediceo Paltac Holdings Co., Ltd. 100.00%

4. Summary of Business to be Divested

(1) Description of Business to be Divested

The entire prescription pharmaceutical wholesale business operated by Mediceo Paltac, including purchasing, distribution, systems and customer support functions.

(2) Results of Business to be Divested

(Millions of yen)

	Business (A)	Results for FY Ended March 2009 (B)	Percentage (A/B)
Net sales	1,588,510	1,617,310	98.2%

(3) Line Items and Amounts of Assets and Liabilities to be Divested (As of March 31, 2009)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	608,931	Current liabilities	602,089
Property and equipment	47,193	Long-term liabilities	2,042
Total assets	656,125	Total liabilities	604,131

5. Listed Company after the Demerger

- (1) New corporate name MEDIPAL HOLDINGS CORPORATION
Reason for name change: The company will change to a new corporate name along with the demerger.
Effective date of new name: October 1, 2009 (planned)
- (2) Principal business Control and supervision of operating companies and business development of the Group as a pure holding company
- (3) Head office 7-15, Yaesu 2-chome, Chuo-ku, Tokyo
- (4) Representative Sadatake Kumakura, President and CEO
- (5) Officers (Planned as of October 1, 2009)

Directors	Representative Director, President and CEO Representative Director, Senior Managing Director Senior Managing Director Director Director Director Director Director Director	Sadatake Kumakura Bunichi Murayama Shuichi Watanabe Takuro Hasegawa Yasuhiro Chofuku Kazuo Okamoto Kazushi Takao Kunio Mikita Eiko Koizumi
Corporate Auditors	Full-time Corporate Auditor Full-time Corporate Auditor Outside Full-time Corporate Auditor Outside Corporate Auditor Outside Corporate Auditor	Akira Kise Kazuo Misaki Ikuo Takahashi Yukio Itasawa Keiichi Toyokawa

- (6) Paid-in capital ¥22,398 million (planned)
- (7) Fiscal year end March 31
- (8) Outlook

This demerger will be an absorption demerger under which Mediceo Paltac will divest a business to a wholly owned subsidiary. Therefore, it will have no material impact on consolidated results.

6. Successor Company after the Demerger

- (1) New corporate name MEDICEO CORPORATION
Reason for name change: The company will change to a new corporate name in connection with the merger of six companies after this demerger, for the purpose of reinforcing its identity as a member of the Mediceo Paltac Group and realizing business synergy to the fullest extent.
Effective date of new name: October 1, 2009 (planned)
- (2) Principal business Wholesale of prescription pharmaceuticals
- (3) Head office 7-15, Yaesu 2-chome, Chuo-ku, Tokyo
- (4) Representative Shuichi Watanabe, President and CEO
- (5) Paid-in capital ¥100 million (planned)
- (6) Fiscal year end March 31

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